



WS/iw/LD/STE/I/5

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Dear Andrea

GRAND UNION HOUSE

Irene has reported to me that, at the last meeting of the Lfvda Board, the decision was taken to set up a separate company to hold the head lease on Grand Union House (should negotiations with Sainsburys succeed, as we believe they will).

I am not a little dissatisfied with this outcome. My understanding was that our solicitors, at a meeting which was set up at David Powell's request and our expense, advised that the setting up of a wholly owned subsidiary was unnecessary, of no tax advantage and would lead, moreover, to extra costs and administration against Lfvda budgets.

The reason for the Board's decision appears to be based on a lack of trust in the BFI's continued funding and, therefore, in its guarantee of the Lfvda's performance. I fail to understand the reasoning behind this. The BFI has made the Lfvda a good offer of a rent-free life in well-appointed premises animated by proximity to creative film and video activity; that offer will be legally enshrined in guarantees between our two bodies. In return, the BFI has been met with suspicion and doubt about our good faith, which has culminated in this latest decision to set up a subsidiary from which, presumably, we will need some guarantees that the Lfvda will not renege on its responsibility - and so it goes on.

The British Film Institute exists to encourage the development of film, television and video in the United Kingdom, and to promote knowledge, understanding and enjoyment of the culture of the moving image. Its activities include the National Film Archive; The National Film Theatre; The London Film Festival; The Museum of the Moving Image; the production and distribution of film and video; funding and support for regional activities; Library and Information Services; Stills, Posters and Designs; Research; Publishing and Education; and the monthly Sight and Sound Magazine.

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I believe that the Board needs to rethink its decision on this issue. I am aware, however, that your next full meeting is in mid-April and that the lease signature will also be around that time. I wonder whether it might be possible for the Board's sub-committee on accommodation to meet with Irene and me in the near future to resolve the situation?

I look forward to hearing from you.

Yours sincerely

Wif
Wilf Stevenson
Director

cc: Irene Whitehead/BFI Planning Unit
David Powell/LFVDA